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PAGE 01 BUENOS 00699 01 OF 02 291305Z
ACTION ARA-10

INFO OCT-01 ISO-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05
PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 DHA-02 ACDA-07
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P R 282007Z JAN 77
FM AMEMBASSY BUENOS AIRES
TO SECSTATE WASHDC PRIORITY 8786
INFO DIA WASHDC
CIA WASH DC
AMEMBASSY LIMA
AMEMBASSY SANTIAGO

ARGENTINA PROJECT (S200000044)

U.S. DEPT. OF STATE, A/RPS/IPS

Margaret P. Grafeld, Director

(☒) Release (☐) Excise (☐) Deny

Exemption(s):

Declassify: (☐) In Part (☒) In Full

(☐) Classify as ☐ (☐) Extend as ☐ (☐) Downgrade to ☐

Date ☐ Declassify on ☐ Reason ☐

[REDACTED] SECTION 1 OF 2 BUENOS AIRES 0699

STATE FOR ARA/MR KJAY

E.O. 11652: GDS
TAGS: PINT, PGOV, AR
SUBJECT: LUNCHEON FOR PLANNING MINISTRY OFFICIALS

REFS: STATE 7308.- STATE 0284

1. SUMMARY: THE MINISTRTOF PLANNING ANDSEVERAL ASSITANTS LUNCHEON
AT THE US EMBASSY RESIDENCE WITH AMBASSADOR HILL AND EMBASSY OFFICERS
ON) JANUARY. THE MINISTER REVEALED HIS PLANS TO VACATION IN THE
US AND HIS AVAILABILITY FOR AN OFFICIAL INVITATION TO THE US IN
APRIL. HE REPEATED HIS CONCEPT OF THE ROLE OF THE PLANNING
MINISTRY AND HIS VIEW OF HISTORICAL ROOTS OF CURRENT WORLD CONDI-
TIONS. THE SUBJECTS OF AN ARGENTINE ROLE IN A POSSIBLE CHILE/PERU
CONFLICT, PRESIDENT PINOCHET'S TRIP TO ANTARCTICA, AND GOVERNMENT
PLANS TO REDUCE THE REDUNDANT
LABOR FORCE IN GOVERNMENT
ENTERPRISES WERE ALSO DISCUSSED.
END SUMMARY.

PAGE 02 BUENOS 00699 01 OF 02 291305Z

Current Class: [REDACTED]

Page: 1

UNCLASSIFIED

Current Class: [REDACTED]
Current Handling: n/a
Document Number: 1977BUENOS00699

UNCLASSIFIED

Page: 2

Channel: n/a

Case Number: 200000044

2. ON 25 JANUARY, AMBASSADOR HILL HOSTED A LUNCHEON FOR PLANNING MINISTRY OFFICIALS AT HIS RESIDENCE. ATTENDING FROM THE MINISTRY WERE PLANNING MINISTER (MAJOR GENERAL) RAMON DIAZ BESSONE; SECRETARY OF PLANNING (RETIRED COLONEL) JUAN CARLOS DURET; UNDER SECRETARY FOR LIAISON WITH THE NATIONAL PLANNING SYSTEM, LICENCIADO ALDO LUIS DUCLEZL; UNDER SECRETARY FOR DISSEMINATION (RETIRED LIEUTENANT COLONEL) HORACIO T. SENO DIAZ; AND ADVISOR TO THE MINISTRY VGTTPCED#BRIGADNR GENERAL JUAN DE DIOS CARRJKZA ZAVALIA. ATTENDING FROM THE EMBASSY WERE MR. MAXWELL

CHAPLI, (DCM), MR WAYNE SMITH (POLITICAL COUNSELOR, MR. JOHN AMOTT (ECONOMICS COUNSELOR), COL PAUL COUGHLIN (DEFENSE AND ARMY ATTACHE), LTC JOHN BOHACH (ASST ARMY ATTACHE) AND MR DAVID SMOCK (POLITICAL OFFICER).

3. DURING

INFORMAL CONVERSATION PRECEDING LUNCH GENERAL DIAZ BESSONE CONFIRMED THAT HE PLANNED TO VISIT THE UNITED STATES ON AVACATION OF TWO TO THREE WEEKS BEGINNING ABOUT THE SECOND WEEK OF FEBRUARY. HE DECLINED THE AMBASSADOR'S OFFER TO ASSIST IN MAKING HOTEL OR TRANSPORTATION ARRANGEMENTS SINCE HE WOULD BE THERE AS A PRIVATE CITIZEN AND SINCE HE HAD NOT DECIDED EXACTLY WHICH PLACES TO VISIT ON THIS (HIS FIRST) TRIP TO THE U.S. HE ALSO CONFIRMED THAT HE WOULD ATTEND AN INTERNATIONAL CONFERENCE OF PLANNING MINISTERS IN VENEZUELA IN MID-APRIL AND WOULD BE ABLE TO ACCEPT AN INVITATION FOR A SHORT OFFICIAL VISIT TO THE US JUST BEFORE OR AFTER THAT MEETING.

4. AFTER BEING SEATED IN THE DINING ROOM, THE AMBASSADOR INFORMED HIS GUESTS THAT THE EMBASSY RESIDENCE HAD BEEN BUILT BY A MR. BOSCH, WHO PLANNED TO USE IT AS THE PRESIDENTIAL RESIDENCE WHEN HE WAS ELECTED. UNFORTUNATELY, HE WAS NEVER ELECTED. GENERAL CARRANZA ZAVALIA COMMENTED THAT JOSE CARLOS PAZ HAD BUILT THE BEAUTIFUL MANSION WHICH THE CIRCULO MILITAR (ARMY OFFICER'S CLUB) NOW OCCUPIES WITH THE SAME IDEA IN MIND, BUT HE WAS NOT ELECTED EITHER. AT THIS POINT, GENERAL DIAZ

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PAGE 03 BUENOS 00699 01 OF 02 291305Z

BESSONE SMILED AND QUIETLY OBSERVED "WELL, I HAVEN'T BUILT MY HOUSE YET".

5. DURING THE LUNCHEON, THE AMBASSADOR RECALLED HIS PREVIOUS DISCUSSIONS WITH THE MINISTER (BA 7308 AND BA 0284) AND ASKED

Current Class: [REDACTED]

Page: 2

UNCLASSIFIED

Current Class: [REDACTED]
Current Handling: n/a
Document Number: 1977BUENOS00699

UNCLASSIFIED

Page: 3

Channel: n/a

Case Number: 200000044

IF HE WOULD MIND REPEATING FOR THE OTHER EMBASSY OFFICERS, PRESENT HIS CONCEPT OF THE ROLE OF THE PLANNING MINISTRY AND ALSO HIS VIEW OF THE HISTORY OF THE WESTERN WORLD, AND PARTICULARLY THE IMPACT OF RELIGIOUS BELIEFS ON DEVELOPMENT. THE MINISTER RESPONDED ENTHUSIASTICALLY AND LAUNCHED INTO A TWENTY MINUTE MONOLOGUE. FIRST, HE ADDRESSED THE ROLE OF THE NEW PLANNING MINISTRY STRESSING THAT THE IDEA IS NOT TO MAKE PLANS IN AN IVORY TOWER AND FORCE THEM ON THE OTHER FEDERAL AGENCIES AND PGTVINCIAL GOVERNMENTS. INSTEAD, THE PLANNING MINISTRY WILL WORK HAND-IN-HAND WITH THE PLANNING ELEMENTS OF THE OTHER MINISTRIES, FEDERAL ENTERPRISES, AND PROVINCIAL GOVERNMENTS TO COME UP WITH REALISTIC, ATTAINABLE OBJECTIVES COMPATIBLE WITH NATIONAL GOALS. IN THIS WAY EVERY LEVEL OF GOVERNMENT

WILL FEEL A COMMITMENT TO FULFILL ITS OWN PLAN, AND NOT ONE IMPOSED FROM ABOVE. THEN, REFERRING TO THE PERIODS UPON WHICH PLANNING MUST FOCUS, HE SAID THAT THE COUNTRY MUST HAVE SHORT, MID-RANGE, AND LONG RANGE PLANS. OF THESE, HE FELT THAT THE MID-RANGE PLANS FOR FOUR TO FIVE YEARS IN THE FUTURE WERE MOST IMPORTANT. FOR ALL PRACTICAL PURPOSES, HE POINTED OUT, THE SHORT RANGE PLAN AND THE ANNUAL BUDGET ARE SYNONYMOUS, AND ADDED THAT HIS MINISTRY HAD JUST COMPLETED A LONG AND EXHAUSTIVE REVIEW OF THE ANNUAL BUDGET. THEN, TURNING TO A MORE PHILOSOPHICAL VEIN, HE EXPOUNDED AT LENGTH ON HIS VIEW OF THE WORLD REPEATING ESSENTIALLY THE SAME CONCEPTS EXPRESSED DURING HIS FIREVVMEEOUNG AITH THE AMBASSADOR (BA 7308). BRIEFLY, HE BELIEVES THAT THE SOUTHERN PEOPLE OF THE WORLD (LATIN, MEDITERRANEAN, AND LATIN AMERICAN) HAVE NOT PROGRESSED AS RAPIDLY AS THE NORTHERN PEOPLE (ANGLO-SAXON, GERMANIC, SCANDINAVIAN) BECAUSE THE ROMAN CATHOLIC RELIGION PLACES THE EMPHASIS ON THE INDIVIDUAL'S LIVING EFFORTS AND FOCUSES

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PAGE 04 BUENOS 00699 01 OF 02 291305Z

PRIMARILY ON THE REWARDS OF HEAVEN. THE NORTHERN PEOPLE, ON THE OTHER HAND, HAVE ADOPTED THE PROTESTANT ETHIC THAT WORK IS IMPORTANT AND THAT THE INDIVIDUAL MUST PROVE HIS WORTHINESS BY HIS WORDLY ACCOMPLISHMENTS IF HE IS TO QUALIFY FOR THE EVERLASTING. AS IN PREVIOUS DISCUSSIONS, HE STRESSED THAT THE BASIC VALUES OF ARGENTINE SOCIETY, IN WHICH FREEDOM AND LIBERTY OF THE INDIVIDUAL IS UPPERMOST, HAVE WESTERN ROOTS STEMMING PRIMARILY FROM ITALY, FRANCE AND SPAIN. THE MARXISTS MOVEMENTS WHICH NOW THREATEN ARGENTINA AND OTHER WESTERN COUNTRIES HAVE VALUES WHICH ARE COMPLETELY FOREIGN TO ARGENTINA

Current Class: [REDACTED]

Page: 3

UNCLASSIFIED

Current Class: [REDACTED]
Current Handling: n/a
Document Number: 1977BUENOS00699

UNCLASSIFIED

Page: 4
Channel: n/a

Case Number: 200000044

AND WOULD HAVE THE STATE REPLACE THE INDIVIDUAL AS UPPERMOST
INHFOCIETY. IN CLOSING HE REPEATED THAT THE NEW ARGENTINE
REPUBLIC, WHICH THE GOVERNMENT IS NOW FORMING, WILL BE BASED
ON COMPLETE RESPECT FOR THE HUMAN RIGHTS AND LIBERTY OF THE
INDIVIDUAL CITIZEN.

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PAGE 01 BUENOS 00699 02 OF 02 291240Z
ACTION ARA-10

INFO OCT-01 ISO-00 PM-04 H-01 INR-07 L-03 NSAE-00 NSC-05
PA-01 PRS-01 SP-02 SS-15 USIA-06 AID-05 DHA-02 ACDA-07
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TO SECSTATE WASHDC PRIORITY 8787
INFO DIA WASHDC
CIA WASH DC
AMEMBASSY LIMA
AMEMBASSY SANTIAGO

[REDACTED] SECTION 2 OF 2 BUENOS AIRES 0699

6. THE AMBASSADOR THANKED THE MINISTER FOR HIS REMARKS AND
ASKED IF THE MINISTER HAD READ PRESIDENT CARTER'S INAUGURAL ADDRESS.
AMBASSADOR HILL POINTED OUT THAT THE SPEECH EMPHASIZED THE
IMPORTANCE OF MORALITY AS A BASIS FOR THE INTERNATIONAL RELATIONS
OF THE UNITED STATES, AND THAT ALTHOUGH THE ADDRESS WAS ONLY
THIRTEEN MINUTES LONG, IT SPECIFICALLY REFERRED TO HUMAN RIGHTS
ON THREE OCCASIONS. IT WOULD BE A MISTAKE, THE AMBASSADOR
CONCLUDED, TO DISREGARD OR UNDERESTIMATE THE SINCERITY OF THE
CARTER ADMINISTRATION'S DEDICATION TO THE PROTECTION OF HUMAN
RIGHTS AND THE PRINCIPLE OF MORALITY IN ITS FOREIGN RELATIONS.

7. THE MINISTER RESPONDED THAT HE WAS NOT COMPLETELY FAMILIAR
WITH THE SPEECH BUT THAT THE ARGENTINE GOVERNMENT WAS EQUALLY
CONCERNED WITH THE PROTECTION OF THE HUMAN RIGHTS OF ALL CITIZENS.
NEVERTHELESS, HE INSISTED, AS HE HAD DURING THEIR PREVIOUS TALKS,

Current Class: [REDACTED]

Page: 4

UNCLASSIFIED

UNCLASSIFIED

Current Class: [REDACTED]
Current Handling: n/a
Document Number: 1977BUENOS00699

Page: 5

Channel: n/a

Case Number: 200000044

THAT ARGENTINA IS AT WAR AND WILL DO WHAT MUST BE DONE TO VIE-
SERVE THE NATION AND THE VALUES WHICH ARE HELD DEAR. HE
STRESSED THAT WHEN THE MILITARY TOOK CONTROL LAST MARCH, THE
COUNTRY'S POLITICAL INSTITUTIONS WERE VERY SICK. "WE ARGENTINES
ONLY HOPE," HE CONCLUDED, "THAT THE UNITED STATES HAS THE
PATIENCE TO BEAR WITH US AS WE PUT OUR HOUSE IN ORDER."

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PAGE 02 BUENOS 00699 02 OF 02 291240Z

8. WHEN THE SUBJECT OF A POSSIBLE WAR BETWEEN PERU AND CHILE
CAME UP, THE MINISTER SAID THAT HE FELT THAT ARMED HOSTILITIES
BETWEEN THE TWO COUNTRIES WOULD BE A TRAGEDY, SINCE BOTH WOULD
LOSE IN THE END. WHILE CONCEDED THAT PERUVIAN ARMS PURCHASES
WERE IN EXCESS OF REASONABLE
NEEDS FOR PURELY DEFENSIVE PURPOSES,
HE DOUBTED THAT THEY WOULD ACTUALLY BE USED IN A BELLIGERENT
WAY. SHOULD A CONFRONTATION OCCUR, HOWEVER, HE FELT THAT
ARGENTINA COULD PLAY A USEFUL ROLE AS MEDIATOR.

9. IN RESPONSE TO A QUESTION CONCERNING GOVERNMENT POLICY IN
THE LABOR AREA, THE MINISTER POINTED OUT THAT THE BUDGET WAS
VERY AUSTERE AND INCLUDED A FIRM REQUIREMENT TO RATIONALIZE
THE NUMBER OF EMPLOYEES IN STATE ENTERPRISES. HE CITED, AS
AN EXAMPLE, THAT THE NUMBER OF EMPLOYEES OF THE NATIONAL
RAILWAYS WILL BE REDUCED BY 23,000 DURING 1977.

10. WHEN ASKED TO COMMENT ON THE CHILEAN PRESIDENT'S RECENT
VISIT TO ANTARCTICA THE MINISTER REPLIED THAT, WHILE HE FELT
THE TIMING WAS UNFORTUNATE, HE DID NOT GIVE MUCH IMPORTANCE
TO THE TRIP. HE ADDED THAT CHILE IS NOT REALLY A VIABLE
ECONOMIC UNIT CAPABLE OF STANDING ALONE; THAT ITS LONG COMMON
BORDER WITH ARGENTINA MAKES IT ESSENTIAL THAT THE TWO COUNTRIES
MAINTAIN A HIGH DEGREE OF COOPERATION; AND THAT IT IS PARTI-
CULARLY IMPORTANT AT THIS POINT THAT THEY AVOID DIVISIVE
ISSUES SUCH AS CLAIMS TO SOVEREIGNTY IN THE ANTARCTIC.

11. COMMENT. FOR THE MOST PART, GENERAL DIAZ BESSONE REPEATED
CONCEPTS EXPRESSED IN EARLIER MEETINGS. HIS DETERMINATION TO
CONTINUE THE WAR AGAINST INSURGENCY, WITH OR WITHOUT US SYMPATHY,
HAS NOT WAIVERED. WHILE THIS ATTITUDE SEEMS TO BE SHARED BY ALL
IN POWER, BE THEY HARDLINERS OR MODERATES, SOME (SUCH AS ADMIRAL
MASSERA), FAVOR DIFFERENT APPROACHES TO THE PROBLEM. THE
MINISTER'S ASSERTION THAT ARGENTINA COULD PLAY A USEFUL ROLE
AS MEDIATOR IN A CHILE-PERU CONFLICT PROBABLY DOES NOT REFLECT

Current Class: [REDACTED]

Page: 5

UNCLASSIFIED

Current Class: [REDACTED]
Current Handling: n/a
Document Number: 1977BUENOS00699

UNCLASSIFIED

Page: 6
Channel: n/a

Case Number: 200000044

[REDACTED]
[REDACTED]
PAGE 03 BUENOS 00699 02 OF 02 291240Z

A NATIONAL POLICY DECISION. DAO SOURCES INDICATE THAT THIS PROBLEM IS CURRENTLY BEING STUDIED AT THE STAFF LEVEL. ON THE LABOR FRONT IT IS DIFFICULT TO SEE HOW MAJOR CONFRONTATIONS CAN BE AVOIDED IF AND WHEN THE GOVERNMENT DISMISSES THOUSANDS OF REDUNDANT EMPLOYEES OF STATE ENTERPRISES AS FORESEEN IN THE BUDGET.

12. IT IS STILL DIFFICULT TO PREDICT HOW INFLUENTIAL DIAZ BESSONE WILL BECOME. FOR THE PRESENT, HIS ADVANCEMENT SEEMS TO BE BLOCKED BY GENERALS VIDELA, VIOLA (ARMY CHIEF OF STAFF), AND SUAREZ MASON (I CORPS COMMANDER). HOWEVER, HE IS STILL YOUNG AND HEALTHY AND ENJOYS GREAT RESPECT WITHIN THE ARMY AND OTHER SERVICES FOR HIS PROFESSIONALISM. IT WOULD BE IN OUR LONG RANGE INTEREST TO INVITE HIM FOR A SHORT OFFICIAL VISIT TO THE US IN APRIL.
HILL

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Current Class: [REDACTED]

UNCLASSIFIED

Page: 6